



# Philippine Amusement & Gaming Corporation

A Global Corporation with a Global Mindset and a Filipino Heart

## PURCHASE ORDER

Page # 1

Supplier : GLIMEX GLIMEX, INC.

Address : 5/F METROSTAR BLDG., 1007 METROPOLITAN AVENUE, MAKATI CITY

TIN : 000-459-563-000

VAT : All Items are VAT Exclusive / Zero Rated

P.O. No. 41

SEQ.# 1

PO Date : 7 SEP 2011

ITB Number : 07-06-2011

Buyer Code : EAA

Gentlemen :


Please furnish this Office the following articles subject to the terms and conditions contained herein;

Place of Delivery : PAGCOR WAREHOUSE, IMUS CAVITE


Payment Term : FER ANNEX A

Itemcode :	Description	Quantity	Unit	Unit Cost	Amount
FMDH55756	SLOT MACHINE DEPARTMENT				
1 103007318	SIGNAGE	29.00	PC	\$ 36,000.00	\$ 1,044,000.00
2 202013005	SLOT MACHINE	192.00		23,900.00	4,588,800.00
	V 20/20 CABINET GOLDEN EMPIRE/ JEEPNEY JOYRIDE				
3 202013005	SLOT MACHINE	96.00		25,500.00	2,448,000.00
	S9E CABINETS WITH TITO PRINTER				
4 202013005	SLOT MACHINE	30.00		24,615.00	738,450.00
	V 20 CABINET AAM LINK PROGRESS IVE WITH TITO PRINTER				
5 202013005	SLOT MACHINE	80.00		24,700.00	1,976,000.00
	V-32 CABINET PLAYBOY PLATINUM/ GIRLS OF CANADA				
6 202013005	SLOT MACHINE	60.00		25,650.00	1,539,000.00
	IDECK ALPHA ELITE V-32 IDECK C RAZY CASH MYSTERY				
7 202013005	SLOT MACHINE	48.00		26,100.00	1,252,800.00
	ALPHA PRO SLANT UPRIGHT IDECK OLE JALAPENDS				

--- NOTHING FOLLOWS ---

Attachment: BUDGET, RV, CASF, AWARD OF CONTRACT, NOTICE OF AWARD, 

Remarks : LOT 3 - BALLY SLOT MACHINES

Total Amount in Words: THIRTEEN MILLION FIVE HUNDRED EIGHTY SEVEN THOUSAND FIFTY US DOLLARS 

SUB-TOTAL :	13,587,050.00
TOTAL :	13,587,050.00
LESS DISCOUNT :	
CHARGE :	
GRAND TOTAL :	\$ 13,587,050.00



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### TERMS AND CONDITIONS OF PURCHASE

- > Delivery must be in accordance with the date specified in the Notice to Proceed.
- > 1/10 of 1% of the amount of the goods not delivered on the stipulated date will be deducted from the total amount involved for each day of delayed delivery.
- > Items delivered are subject to inspection and acceptance by Property Management Unit.
- > Please attach original copy of Sales Invoice, Delivery Receipt, Warranty Certificate and Purchase Order upon delivery.

"This is to certify that the procurement for the items contained in this Purchase Order is in accordance with Republic Act No. 9184, its Implementing Rules and Regulations and other applicable laws".

- Limited Source Bidding (Selective Bidding)
- Direct Contracting (Single Source Procurement)
- Public Bidding
- Shopping
- Negotiated Procurement

Signature Over Printed Name of Supplier

Recommended by:

JORGE V. SANTIAGO  
PRESIDENT AND COO

Approved By:

CRISTINO L. NAGUIAT JR  
CHAIRMAN AND CEO

: Funds Available

:

:

: Budget Authorization No. 11061010

VIDAL T. CABIGON JR. 9/8

AVP/SA Acctg Dept/Section:

Amount P 611,417,280.00

## Annex A – Terms and Conditions

1. The total price stated in the PO already includes all applicable taxes, fees and charges required by the government. **GLIMEX INC.** holds PAGCOR free from liability for any or all taxes arising out of this transaction.

The prices herein agreed shall not be subject to any increase or upward adjustment for any reason or cause whatsoever.

2. **GLIMEX INC.** shall complete the supply and delivery of the goods within the time prescribed in the PO. Should **GLIMEX INC.** incur delay in its performance, it shall pay a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the undelivered goods for each day of delay. The maximum deduction shall be ten percent (10%) of the amount of the contract. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract, PAGCOR shall have the option to rescind the contract, without prejudice to other courses of action and remedies open to it.

In case **GLIMEX INC.** still fails to deliver the item after the lapse of 30 days from the supposed date of delivery, in addition to the forfeiture of the bond and the penalties agreed upon, PAGCOR shall have the option to terminate the purchase.

3. In the event that **GLIMEX INC.** fails to comply with its undertakings under this PO, PAGCOR shall be released from its obligations without prejudice to its rights of restitution, recovery and damages.
4. In the event that the facts and circumstances arise or are discovered which renders this PO disadvantageous to the Government, the parties hereto agree immediately to re-negotiate its terms and conditions, or at the option of PAGCOR terminate the same.
5. No terms or conditions of this PO shall be deemed waived and no breach or default excused unless such waiver or excuse shall be in writing and signed by the party affected.
6. The obligations under this PO are of a personal nature and compliance thereof may not be assigned or subcontracted to another without the written consent of the other party. This PO or any interest in it may not be assigned without the prior written consent of the other party.
7. This PO contains all the covenants and stipulations agreed upon by the parties and shall be modified, revised or amended only upon written agreement of both parties.
8. This PO constitutes the entire contract between the parties pertaining to the subject matter contained in it, and supersedes all prior and contemporaneous agreements, representations, warranties and understandings of the parties. No supplement, variation or amendment of this PO shall be binding UNLESS executed in writing by the parties. No waiver of any of the provisions of this PO shall be deemed, or shall constitute, a waiver of any other provision, whether similar or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding UNLESS in writing and signed by the party making the waiver.

Authorized Signatory of GLIMEX INC.

9. The relationship between the parties shall be limited to the performance of the terms and conditions of this PO. Nothing herein shall be construed to create a general partnership/agency/employer-employee or any other relationship between the parties, or to authorize any party to bind the other except as set forth in herein, or to borrow money on behalf of another party, or to use the credit of any party for any purpose other than what has been set forth herein.

10. The parties, waiving for this purpose any other venue, hereby agree that the courts of the City of Manila shall be the exclusive venue of any and all actions or suits between the parties relative to this PO, to the exclusion of all other courts and venues. This exclusive venue provision shall apply even in cases for declaration of nullity of this PO in its entirety or in part and in cases arising after or by reason of the declaration of nullity of this PO in its entirety or in part.

11. **GLIMEX INC.**, hereby further warrants and represents that:

a. The goods and specifications shall be as described under the P.O. as follows:

Quantity	Technical Description
192 units	V 20/20 Cabinet Golden Empire/Jeepney Joyride Concept Link Progressive with TITO Printer
12 units	Signage
96 units	S9E Cabinets with TITO Printer
30 units	V 20 Cabinet AAM Link Progressive with TITO Printer
3 units	Signage
80 units	V-32 Cabinet Playboy Platinum/Girls of Canada with TITO Printer
5 units	Signage
60 units	IDeck Alpha Elite V-32 IDeck Crazy Cash Mystery with TITO Printer
5 units	Signage
48 units	Alpha Pro Slant Upright IDeck Ole Jalapenos with TITO Printer
4 units	Signage

Specifications:

1. All units are brand new
2. Inclusive of TITO capabilities

- b. It has good title to the goods described in the PO, full authority to sell and transfer the same and that the items are sold free and clear of all liens, encumbrances, liabilities and adverse claims, of every nature and description.
- c. It will fully defend, protect, indemnify, and hold PAGCOR harmless from any and all adverse claims that may be made by any party for the possession and/or the use of the goods.
- d. Defective items shall be replaced within thirty (30) calendar days from the date of return. Failure to replace the defective items within the same period shall make the supplier liable for a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the undelivered item for each day of delay, including Sundays and Holidays.

Authorized Signatory of GLIMEX INC.

- e. PAGCOR accepts no liability for the damage of the goods during transit, risk and title will be deemed to have passed to PAGCOR only upon receipt and final acceptance of the Goods.
- f. It shall pay taxes in full and on time, failure to do so will entitle PAGCOR to suspend payment.
- g. In cases wherein an additional expense is to be incurred due to delivery of sub standard quality items that are non compliant with the agreed specifications, such expense to reproduce items to agreed specifications and quality shall be at the expense of the supplier.
- h. Without prejudice to manufacturer's warranty, in order to assure that manufacturing defects shall be corrected by **GLIMEX INC.**, a warranty shall be required from it for a minimum period of one (1) year after delivery and acceptance of the machines, as specified and described above.

The obligation for the warranty shall be covered by either Retention Money equivalent to at least ten percent (10%) of every progress payment or a special bank guarantee equivalent to at least 10% of the total contract price.

The said amounts shall only be released after the lapse of the warranty period provided, however that the goods supplied are free from patent and latent defects and all conditions imposed under the contract have been fully met.

- i. In addition, the slot machines shall have a warranty of one (1) year from the date of acceptance, without prejudice to foregoing warranties. **GLIMEX Inc.** shall carry sufficient inventories to assure supply of spares for the goods for a period of four (4) years. Spares shall be supplied within one (1) month from notice by PAGCOR.

12. Contract Amount: The total price for the Procurement of Electronic Gaming Machines subject of this PO shall be in the amount of **US DOLLARS THIRTEEN MILLION FIVE HUNDRED EIGHTY SEVEN THOUSAND FIFTY AND 00/100 (US\$13,587,050.00)**. The break-down are as follows:

Description	Qty	Unit Price	Total Price
V 20/20 Cabinet Golden Empire/Jeepney Joyride Concept Link Progressive with TITO Printer	192 units	23,900.00	US\$4,588,800.00
Signage	12 units	36,000.00	432,000.00
S9E Cabinets with TITO Printer	96 units	25,500.00	2,448,000.00
V 20 Cabinet AAM Link Progressive with TITO Printer	30 units	24,615.00	738,450.00
Signage	3 units	36,000.00	108,000.00
V-32 Cabinet Playboy Platinum/Girls of Canada with TITO Printer	80 units	24,700.00	1,976,000.00
Signage	5 units	36,000.00	180,000.00
IDeck Alpha Elite V-32 IDeck Crazy Cash Mystery with TITO	60 units	25,650.00	1,539,000.00

Authorized Signatory of GLIMEX INC.

*[Handwritten initials]*

Printer			
Signage	5 units	36,000.00	180,000.00
Alpha Pro Slant Upright IDeck Ole Jalapenos with TITO Printer	48 units	26,100.00	1,252,800.00
Signage	4 units	36,000.00	144,000.00
Total Cost	506 EGMs with 506 TITO Printers 29 Signages		US\$12,543,050.00
	Grand Total Cost		US\$13,587,050.00

Both parties agree that the total price stated herein already includes all applicable taxes, fees and charges required by the government. Supplier holds PAGCOR free from liability for any or all taxes arising out of this transaction.

The prices herein agreed shall not be subject to any increase or upward adjustment for any reason or cause whatsoever for the duration of the Contract.

13. Delivery Period: The items shall be delivered on staggered basis. **GLIMEX INC.** shall deliver the items required within ninety (90) calendar days from receipt of advice from PAGCOR.

The machines shall only be delivered upon the advice of PAGCOR. PAGCOR shall have the right to refuse further deliveries and/or terminate the sale without incurring any liability whatsoever.

The Bally Slot Machines, printers and signages shall be delivered at PAGCOR Imus Warehouse, #363 Bayan Luma VI, Imus, Cavite.

14. Schedule of payment: Payment of the purchase price, in US Dollars, via Telegraphic Transfer, shall be based on the following schedule:

1. Payable in 24 month installments
2. PAGCOR shall pay monthly the amount equivalent to 15% of PAGCOR's net income/win from operations of said machines.
3. The first monthly payment shall be due forty-five (45) days after installation
4. At the end of the 24 months, if the accumulated payment to **GLIMEX INC.** has not reached to the total contract price/sales amount, PAGCOR shall pay in full the remaining balance, if and when no patent and latent defects are noted.

Payment via Telegraphic Transfer shall be made to **GAMMARUS, LTD.**, for and on behalf of **GLIMEX INC.**, upon presentation of the receipt and certificate of acceptance by PAGCOR's authorized representative. PAGCOR shall have a maximum period of fifteen (15) working days upon receipt of the items within which to determine to its satisfaction the condition of the Slot Machines with signages and to acknowledge receipt.

Bank Details:

**Beneficiary Name: GAMMARUS LTD.**

Account Number: 347-460537-883

Beneficiary Bank: HANG SENG BANK LIMITED (Swift Code: HASE HKHH)

Address: 83 Des Voeux, Road Central Hong Kong

Page 4 of 6 of Annex "A" - Purchase Order: 41

Procurement of Electronic Gaming Machines - ITB No. 07-06-2011 (Direct Contracting)

Authorized Signatory of GLIMEX INC.

15. Performance Security: To guarantee the faithful performance of **GLIMEX INC.**'s obligations under this annex, it shall post a Performance Security prior to the execution of the PO, in accordance with any of the following schedule:

Form of Security	Amount in Percentage of Total Contract Price
Cash or cashier's/manager's check, issued by a Universal or Commercial Bank in the Philippines	Five Percent (5%) US\$679,352.50
Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank in the Philippines If issued by a foreign bank, this shall be confirmed or authenticated by a Universal or Commercial Bank in the Philippines	
Surety Bond (which is acceptable to PAGCOR) callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission in the Philippines.	Thirty Percent (30%) US\$4,076,115.00
Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

The performance security shall remain valid until issuance by PAGCOR of the final Certificate of Acceptance.


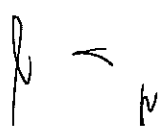
16. PAGCOR shall pay **GLIMEX INC.** the cost of freight and other related charges in the amount of US\$1,000.00 per machine after 24 months or upon full payment of the contract with **GLIMEX INC.** provided that:

- a. Reimbursement of shipment expenses shall be for sea freight charges or its equivalent in the event shipment is done by air freight;
- b. Brokerage/Forwarder Services contracted by **GLIMEX INC.** shall be with entities accredited by PAGCOR;
- c. A Philippine flag vessel and/or air carrier shall be used in the shipment of the goods in compliance with P.D. 1466. Otherwise, **GLIMEX INC.** shall seek PAGCOR's approval prior to its application for a waiver from the Civil Aeronautics Board or the Freight Booking & Cargo Consolidated Center of the Philippine Shipper's Council, for any related waiver fees/charges to be reimbursed by PAGCOR.

17. No intellectual or industrial property rights, whether registered or not, including copyright, trade marks, patents, designs, circuit layouts, confidential information, know-how or inventions, that subsists in the goods subject of this PO (hereinafter referred to as "Intellectual Property") is conveyed to or vests in PAGCOR or any other person pursuant to this PO.

18. **GLIMEX INC.** grants to PAGCOR a non-exclusive and personal license of the Intellectual Property in each copy of the game provided by **GLIMEX INC.** to PAGCOR to do only those acts that are necessary to permit PAGCOR to operate the

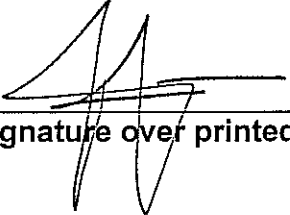
Authorized Signatory of GLIMEX INC.

games lawfully at the licensed gaming venues owned or operated by PAGCOR. PAGCOR cannot modify, adapt, supply, reverse engineer, sub-license, transfer the license or rights under the license in any way or otherwise deal with the Intellectual Property in the game.

The license granted automatically terminates when:

- a) The copy of the game or storage device is returned to **GLIMEX INC.** in satisfactory and reasonably functional condition; or
  - b) The copy of the game ceases to be in PAGCOR's possession, custody or control.
19. **GLIMEX INC.** shall provide training for five (5) PAGCOR personnel for seven (7) days at the manufacturer's facility, inclusive of airfare and hotel accommodations.
20. **GLIMEX INC.** shall provide free spare parts of the electronic gaming machines, including link signages, equivalent to three percent (3%) of the total contract price/sales amount, upon full payment of PAGCOR of the contract price
21. This Annex shall form part of PO # 41.

  
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Signature over printed Name of Supplier/Date

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